

## MINUTES

**April 19, 2012**

### UCDC BOARD MEMBERS

**Ronald Marquette.**  
Chair

**Anthony Campagiorni**  
Vice Chair

**Ward Todd**  
Secretary

**Treasurer**

**Jacquelyn Appeldorn**

**Terry L. Bernardo**

**Donald P. Christian**

**Shayne Gallo**

**Daniel Hauspurg**

**Michael Hein**

**Donald C. Katt**

**Charles Khoury**

**Joseph Libonati**

**David O'Halloran**

**Joshua Ratner**

**Nancy E. K. Schaeff**

**John Valk, Jr.**

**Daniel Wieneke**

**Lance Matteson**

**President**

A regular meeting of the Board of Directors of the Ulster County Development Corporation was held at 4:00 p.m. on Thursday, April 19, 2012, Conference Room 108, Business Resource Center, Development Court, Kingston, NY.

The following members were present:

Jacquelyn Appeldorn

Anthony Campagiorni

Jacqueline DiStefano

March Gallagher

Robert Kinnin

Joseph Libonati

James Maloney

Ronald Marquette

James Quigley

Joshua Ratner

Nancy Schaeff

Gregg Swanzy

Ward Todd

Daniel Wieneke

Vice Chair

***Via Conference Call***

Representing Donald Christian

***Via Conference Call***

Representing Michael Hein

***Via Conference Call***

Representing David O'Halloran

Representing Terry Bernardo

Chair

Representing John Valk

Representing Shayne Gallo

Secretary

***Via Conference Call***

The following members were absent:

Daniel Hauspurg

Donald Katt

Charles Khoury

The following ex-officio members were absent:

David Donaldson

Dennis Doyle

LaMar Hasbrouck

Kenneth Ronk

The following staff members of the Ulster County Development Corporation were present:

Linda Clark	Office Manager
Lance Matteson	Past President

Additional Attendees:

David O'Halloran	Chair, Ulster County Industrial Development Agency
------------------	--

Chair Ronald Marquette called the meeting to order at 4:06 p.m.

### **MINUTES**

**Motion:** Jacquelyn Appeldorn, seconded by Joseph Libonati, moved to adopt the Minutes of the March 15, 2012 meeting. A copy of said Minutes is on file.

**Vote:** The motion was adopted unanimously.

### **CHAIRMAN'S REPORT**

**Hudson Valley Economic Development Corporation – Amend March 6, 2012 Motion.**

**Motion:** March Gallagher, seconded by Ward Todd, moved to amend the March 6, 2012 motion of the UCDC Executive Committee regarding the payment of 2012 dues for the Hudson Valley Economic Development Corporation (HVEDC). Said motion is to reflect that \$10,000 of the funding is provided by the Ulster County Industrial Development Agency, while the other \$10,000 is provided by Ulster County Development Corporation for a total amount of \$20,000.

**Vote:** The motion was adopted unanimously.

### **Employee Health Insurance**

**Motion:** Ward Todd, seconded by James Quigley, moved to confirm the decision of the Executive Committee and Chair Marquette to renew the recommended Employee Health Insurance contract with CDPHP which includes a high deductible with a funded health savings account completely funded by UCDC. A copy of the memorandum regarding the Health Insurance recommendations is on file.

**Vote:** The motion was adopted unanimously.

### **Additional Compensation**

**Motion:** Ward Todd, seconded by James Quigley, moved to confirm the decision of the Executive Committee to continue to pay additional compensation in the amount of \$8,500 per year to all full-time staff.

**Vote:** The motion was adopted unanimously.

**Motion:** James Quigley, seconded by Jacquelyn Appeldorn, moved to confirm the decision of the Executive Committee that effective May 1, 2012, Lisa Fadelici, a part-time employee, will no longer receive the \$8,500 additional compensation.

**Vote:** The motion was adopted unanimously.

Proposed Bylaw Amendments

Chair Marquette presented the proposed Bylaw Amendments which included as follows:

- **AMENDMENT NUMBER ONE.** Page 2. ARTICLE III. SECTION A. ANNUAL MEETING.
  - **FROM:** The annual meeting of the members of the corporation shall be held at the principal offices of the corporation or at such place within the State of New York as the Board of Directors shall determine and at such time as may be designated by the Board of Directors and specified by notice of such meeting.
  - **TO:** The annual meeting of the members of the corporation shall be held at the principal offices of the corporation or at such place within the State of New York as the Board of Directors shall determine and at such time as may be designated by the Board of Directors and specified by notice of such meeting. *The Board of Directors shall meet quarterly throughout the year: January, April, June and September.*
- **AMENDMENT NUMBER TWO.** Page 4. ARTICLE IV. SECTION A. MANAGEMENT OF CORPORATE AFFAIRS.
  - **FROM:** The management of the affairs of the corporation shall be vested in a Board of Directors. All the powers of the corporation shall be exercised by the Board of Directors in such manner and upon such terms and conditions as it may determine.
  - **TO:** The management of the affairs of the corporation shall be vested *in the Executive Committee of the Board of Directors. The Executive Committee shall meet monthly and have full authority of management and oversight, authority to enter binding contracts on behalf of the Corporation and shall report to the full Board of Directors on a quarterly basis.*
- **AMENDMENT NUMBER THREE.** Page 4. ARTICLE IV. SECTION B. PRESIDENT.
  - **FROM:** SECTION B. PRESIDENT. The Board of Directors shall be responsible for the employment of a President.
  - **TO:** SECTION B. *ADMINISTRATOR.* The Board of Directors shall be responsible for the employment of the *Administrator.*
- **AMENDMENT NUMBER FOUR.** Page 5. ARTICLE IV. SECTION C. ELECTION OF DIRECTORS.

○ **FROM:**

	TITLE	INSTITUTION REPRESENTED
1.	Chair	Ulster County Legislature
2.	County Executive	Ulster County Executive
3.	Chair	Ulster County Industrial Development Agency
4.	Chair	Ulster County Supervisor's Association
5.	Director	Ulster County Workforce Investment Board
6.	Mayor	City of Kingston
7.	President	Chamber of Commerce of Ulster County
8.	President	SUNY Ulster
9.	President	SUNY New Paltz
10.	District Superintendent	BOCES
11.	Labor Representative	Labor

And,

Up to Fourteen (14) Directors representing business and industry located in or doing business in Ulster County

○ **TO:**

	TITLE	INSTITUTION REPRESENTED
1.	Chair	Ulster County Legislature
2.	County Executive	Ulster County Executive
3.	County Executive Appointee	Ulster County Executive
4.	Chair	Ulster County Industrial Development Agency
5.	Chair	Ulster County Supervisor's Association
6.	Director	Ulster County Workforce Investment Board
7.	Mayor	City of Kingston
8.	President	Chamber of Commerce of Ulster County
9.	President	SUNY Ulster
10.	President	SUNY New Paltz
11.	District Superintendent	BOCES
12.	Labor Representative	Labor

And,

Up to **Thirteen (13)** Directors representing business and industry located in or doing business in Ulster County.

➤ **AMENDMENT FIVE.** Page 6. ARTICLE IV. SECTION F. RESIGNATION.

- **FROM:** Any member of the Board of Directors may resign at any time by giving his resignation to the President, the Chair, any Vice Chair or the Secretary. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

- **TO:** Any member of the Board of Directors may resign at any time by giving his resignation to the [Administrator](#), the Chair, any Vice Chair or the Secretary. Such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- **AMENDMENT SIX.** Page 6. ARTICLE IV. SECTION G. POWERS.
  - **FROM:** All power and authority of the corporation shall be vested in the Board of Directors and the committees thereof and all or part of such power and authority, in addition to the power and authority delegated by these bylaws to the Executive Committee, may be delegated to such committees of the Board of Directors as the Board from time to time may determine.
  - **TO:** All power and authority of the corporation shall be vested in the Board of Directors and the committees thereof and all or part of such power and authority, in addition to the power and authority delegated by these bylaws to the Executive Committee, may be delegated to such committees of the Board of Directors as the Board from time to time may determine. [The Executive Committee shall have full authority of management and oversight, authority to enter binding contracts on behalf of the corporation and shall report to the full Board of Directors on a quarterly basis.](#)
- **AMENDMENT SEVEN.** Page 9. ARTICLE VI. SECTION G. ADMINISTRATOR.
  - **FROM:** The President is the Chief Executive Officer of the corporation. He or she has the authority to hire, supervise and dismiss staff members. He or she, working with the Board of Directors, officer and various committees, will implement the corporation's programs and policies. The President will be directly responsible to the Chair of the Board of Directors. The full scope of the President's job will be outlined in a written job description. This job description shall be subject to periodic review and possible revision.
  - **TO:** The [Administrator](#) is the [chief executive officer](#) of the corporation. He or she has the authority to hire, supervise and dismiss staff members. He or she, working with the Board of Directors, officer and various committees, will implement the corporation's programs and policies. The [Administrator](#) will be directly responsible to the Chair of the Board of Directors. The full scope of the [Administrator's](#) job will be outlined in a written job description. This job description shall be subject to periodic review and possible revision.
- **AMENDMENT EIGHT.** Page 10. ARTICLE X. SECTION A. EXECUTIVE COMMITTEE.
  - **FROM:** The Board of Directors may elect from its members an Executive Committee which shall consist of five (5), and no more than nine (9) members as the Board of Directors may determine to serve during the pleasure of the Board. The Executive Committee shall exercise the powers of the Board of Directors in the interim between the meetings of the directors except as such power from time to time may be limited by the Board. A majority of the Executive Committee or such members as the Board may determine, shall constitute a quorum for transaction of business and at any meeting in which a quorum is present, a majority of those present and acting, plus one (1), may bind the committee. The Executive Committee shall report their action at every meeting of the Board of Directors or as often as the Board may require them. At the least, the Chair, Vice Chair, Secretary,

Treasurer and immediate Past Chair shall serve as voting members. The president will be a non-voting member of the Executive Committee.

- **IO:** The Executive Committee of the corporation shall consist of nine (9) members. The members of the Executive Committee shall include the Chair, Vice Chair, Treasurer and Secretary of the Board of Directors; one (1) other member of the Board of Directors appointed by the Chair, the two (2) members of the Board of Directors representing the County Executive, one (1) member of the Board of Directors representing the Ulster County Industrial Development Agency; and one (1) member of the Board of Directors representing the Ulster County Legislature. The Executive Committee shall exercise the powers of the Board of Directors in the interim between the meetings of the directors except as such power from time to time may be limited by the Board. A majority of the Executive Committee or such members as the Board may determine, shall constitute a quorum for transaction of business and at any meeting in which a quorum is present, a majority of those present and acting, plus one (1), may bind the committee. The Executive Committee shall report their action at every meeting of the Board of Directors or as often as the Board may require them. The Executive Committee shall oversee all committees.

Discussion included, but was not limited to:

- Hereto forward all references to the President have been changed to Administrator
- The Board of Directors will meet quarterly rather than ten times per year
- The oversight of the corporation will be managed more precisely by the Executive Committee. The Executive Committee will comprise nine (9) members.
- The question of sustainability of the corporation was addressed.
  - It is the first step of the sustainability of the re-structuring of the corporation
  - It does not address the sustainability of the fiscal part of the corporation.
- The representation on the Board has increased to include an additional appointee from the County Executive's Office.
  - The Chairman of the Ulster County Legislature would like a seat on the Board of Directors in addition to the Chairman of the County's Economic Development and Tourism Committee.
  - March Gallagher was given to understand that this issue had been resolved. The UCIDA and the Legislature, in the County Executive's mind, were one in the same.
  - James Maloney sought clarification from Lance Matteson about action during the tenure of former Chairman of the Legislature Frederick Wadnola's efforts in obtaining the Chairman of the County's Economic Development and Tourism Committee a position on the board
    - ◆ Lance Matteson responded that initially the Chairman of the Legislature could designate anyone. Former Chairman Wadnola indicated that he preferred to have his designee formally be the Chairman of the Economic Development and Tourism Committee.

- ◆ Chair Marquette pointed out that as the Bylaws stand now, the Chairman of the Economic Development and Tourism Committee does not hold a position on the Board. It is through the designation of the Chairman of the Legislature.
- ◆ James Maloney responded to have all these titled seats with the County Executive having two, the Legislature having one, and the argument that the UCIDA Chair is a legislative appointment does not mean that they are one in the same. Being Chair of the Economic Development Committee and a member of the Ulster County Legislature that is responsible for answering the questions and for what is going on, he thought that he should at least have a position "above the line".
- ◆ Chair Marquette replied that he would like to stay away from the politics of this as much as possible. He thought that at the meeting(s) with the County Executive that all were in agreement.
- ◆ David O'Halloran, Chair, Ulster County Industrial Development Agency, stated that these housekeeping measures that are being proposed do not address sustainability. He did not understand how this solves anything. There is a need for a comprehensive plan – that brings all the parts together - and then figure out what the bylaws should be to help make that work.
- ◆ Chair Marquette responded if we are going to move forward with this organization we need money; we also need to have a fiscal plan that is sustainable. The bylaws have to be done as part of the re-structuring. It may not address sustainability, but it does address the sustainability of the organization in terms of its structure, not fiscally. If we don't make these moves, then we will remain status quo and it was not clear how we would go to the next step on the physical budget side if everything stays the same.
- ◆ James Quigley responded that the Executive Committee discussed this matter at great length. It was his opinion that while Mr. Marquette made a good point regarding the bylaw amendments leading to the ability to make the organization sustainable it does not lead to making the organization effective. When this organization was created it was suppose to be a public/private partnership for the purposes of doing of economic development. There has been an erosion of private sector participation in this organization. It was stated best at the Executive Committee: the private sector is fatigued with the politics. His position was by changing the head of the organization to Administrator we are effectively making this organization an adjunct of the County Executive's Office. Let's call it as we see it and dissolve the organization. Let's make the responsibility for economic development with the County Executive's Office, instead of creating a structure and discussing bylaws and future viability. The person not at this table today who has the biggest voice in the economic sustainability of this organization is the County Executive. At the end of the day, there are three entities that will lead to the economic sustainability of this organization: the combination of the Legislature and the County Executive's office in a joint policy decision, the UCIDA and the execution of its business plan and the private sector. We have continued to see

attrition from the private sector and its economic support of this organization and now there is a lack of a commitment or lack of a discussion to form a commitment other than a bylaw change from the County Executive's Office. His position was that the organization has been ineffective for a long time because of the political in-fighting; let's take the politics out of it and put it in the County Executive's Office.

- ◆ March Gallagher responded that the County Executive does not want an economic development delivery system that does not include a development corporation. She stated that the County Executive believes that the UCIDA and the Legislature speak with a single voice and he doesn't want to be "out-gunned" on this board and/or committee and tied to something that does not give him the ability to ensure proper management. She agreed that the organization hasn't been as effective as we would like it to be; however, she did not agree that it has totally been ineffective. There have been some successes and the County Executive does not want to lose the momentum. He doesn't want a system that does not have a development corporation and he wants to have two seats on this board. It was her opinion that the bylaw changes be made on the points that there was full agreement and to defer the other changes to a future meeting.
- ◆ Jacqueline DiStefano stated that some very good points were made. She felt that there was a need to be sure that the arrangement that is suggested will give us the most flexibility. She felt that it needed more conversation.
- ◆ Ward Todd thought that these issues needed to be worked out and once resolved, to please inform the board on how to proceed. He was in agreement with Ms. Gallagher's suggestion to pass the bylaws with that one section removed, he was OK with that.
- ◆ Lance Matteson stated that in his opinion the continued limbo for this organization would be disastrous. In terms of the organization to have continuity and have effectiveness, to be able to respond to the leads and to continue to manage the Shovel Ready Program, it is at risk unless a decision is made promptly. There has already been a great deal of uncertainty.
- ◆ Chair Marquette asked if we need to be in the room with the County Executive to flush all this out and not keep running back and forth as ambassadors.
- ◆ David O'Halloran responded that he thought that the UCIDA could put up more money, Central Hudson would possibly commit to a long term funding plan to assist and the County Executive and the Legislature would increase their commitment at least for 2013-2014. Instead, at the last meeting, we left with the understanding that the budget could possibly be zero. He was very frustrated. The UCIDA asked for a sustainability run out so that we could determine as an agency whether UCDC could be counted on being here tomorrow for our contracted administrative services. The documentation provided had end dates and that was unacceptable. For our organization that meant we had to go to Plan B; which we didn't want to do. It is a lot of work and our preference is to stay with



UCDC. We don't want to leave, we have to provide our incentives, our benefits and our opportunities to investors and job creation and retention has to continue. When he attended the last meeting his mission was simple; he spoke to Anthony Campagiorni of Central Hudson to possibly come up with money, the UCIDA was willing to come up with money, instead of coming out of the meeting with a sustainability plan we walked out with less than what we came in with. He still believed that we need money. He agreed with the restructuring to make it more streamline and a structure that is more financially solvent. Continuing, Mr. O'Halloran stated that he understood the County Executive's point, but the County Legislature does not pull the UCIDA's strings for a vote. He understood the argument. Politics never influence a vote in the UCIDA. The bylaws are not the problem with this organization, if it were; it would be an easy fix. We are not here today because of bylaw problems.

- ◆ Lance Matteson agreed that money was the issue.
- ◆ James Maloney stated that he proposed that the Executive raise the amount of money to UCDC. He proposed a three-year commitment. You cannot guarantee a three-year commitment.
- ◆ March Gallagher stated that the Executive has always tried to keep UCDC "above the line". There was a cut this year, but not as much as other agencies. He is committed to funding economic development. She could not promise that as she didn't know what the budget would be for the coming year. She could not give assurances.
- ◆ James Quigley stated that what he heard Chair Marquette say is that you brought back the best deal that you could get. He reminded the members of the board that this is an independent 501(c)(3) corporation independent of the county. They have a fiduciary obligation to this entity to make the decision for this entity; not the best decision for the County Executive, County Legislature or the individuals on this board, but this entity as a whole to accomplish the mission that this entity was chartered to achieve.
- ◆ Chair Marquette concurred with Mr. Quigley, with a caveat. How can we stand alone without these two entities funding us.
- ◆ James Quigley responded then this board is not independent, put the responsibilities where they lie in the Executive's office.
- ◆ Chair Marquette stated that our real master is not just the County Executive, but the County Legislature as well. Both Chairwoman Bernardo, as well as the County Executive can both serve on the board; the bylaws clearly state that. It is their decision to appoint a representative. It could very well end up as a political entity.

**Motion:** Ward Todd, seconded by March Gallagher, moved to approve Amendment Numbers One, Two, Three, Five, Six and Seven. Amendments Four and Eight are excluded from the motion.

**Vote:** The motion was adopted.

**YES: 9            NO: 4**

Ronald Marquette, David O'Halloran, James Maloney and James Quigley voting no.

Chair Marquette concluded by stating that the group that meets with the County Executive should address this issue as candidly and openly with the Executive as possible.

David O'Halloran suggested inviting the Chairman of the Legislature as well. In addition, he suggested that the meeting(s) be held with the full membership of the Board or Executive Committee.

Chair Marquette stated that he would report back to the County Executive that the make-up of the Executive Committee did not pass.

David O'Halloran responded that March Gallagher will take care of that.

#### Ready2Go Committee

**Motion:** Ronald Marquette, seconded by March Gallagher and James Maloney, moved that UCDC be the fiscal agent for the Ready2Go Program, funded by the UCIDA and Central Hudson Gas and Electric, and UCDC is authorized to enter into project agreements and engage in financial transactions approved on behalf of the Ready2Go Committee, beginning with the Leading Edge Developers LLC project in Saugerties.

**Vote:** The motion was adopted.

David O'Halloran pointed out UCIDA's commitment to UCDC. Along with Central Hudson, they have put up \$100,000 and turned over the administration to UCDC because we want this organization to succeed.

#### Financials

Chair Marquette stated that he was working on appointing a new Treasurer, due to the resignation of William Spearman. He relayed the difficulties in recruiting private sector members due to Ulster County's Financial Disclosure Form.

James Maloney responded to Chair Marquette by stating that he has asked that Chair Marquette and Mr. O'Halloran meet; we need to have a sustainability plan. The County Executive and the Legislature, as well as UCDC are legs of the stool. We need to know exactly where we are going. At that point we will bring forward a revised financial disclosure form.

Chair Marquette responded that it was his sense that for him to meet separately with you and Mr. O'Halloran would put him in a compromising position.

James Maloney replied that he understood. When you, Mr. O'Halloran and I first met, the idea was to get a smaller less government board. What have we done?

Chair Marquette responded that we are adding. He has spoke to some private sector individuals and they believe that the private sector is almost out of this. He didn't know that Central Hudson was as committed as Mr. O'Halloran believes. With the current financial disclosure form, it is almost impossible to get a replacement for Mr. Spearman at this time. Private sector funding is "DOA" because the private sector is hesitant to continue to put money into the organization if it's not going forward or if it is really going to become a government agency.

Ward Todd asked James Maloney what was going to be done about the Financial Disclosure Form.

James Maloney responded that as soon as we have a clear direction he would have no problem going forward. Mr. Maloney requested that the proposed Financial Disclosure Form be review by A. Joseph Scott, Hodgson Russ LLP, and then an email sent to him at the Legislature from Mr. Scott, copying Chair Marquette, stating that the form conforms to the Authorities Budget Office standards and all state ethics requirements.

Lance Matteson stated that there would, more than likely be a fee associated with the review.

Chair Marquette requested that Lance Matteson be responsible for working with Mr. Scott on this request.

**MOTION:** Robert Kinnin, seconded by Ward Todd, moved to accept the financials for the period ending March 31, 2012.

**VOTE:** The motion was adopted.

#### **REPORT FROM THE ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

Robert Kinnin, representing the Ulster County Industrial Development Agency, reported that the documentation has been completed for the Stavo and Wolf-tec projects. These projects are retention projects that will be sited at the former Colony Liquor site. Additionally, he reported on the revocation of Birchwood Village's PILOT.

#### **REPORT FROM THE OFFICES OF THE COUNTY EXECUTIVE**

None.

#### **REPORT FROM THE OFFICES OF THE COUNTY LEGISLATURE**

James Maloney, Chair, Economic Development and Tourism Committee, reported all documentation for the fourth quarter payment and budget amendment has been submitted to the Legislature's attorney and is currently being reviewed.

#### **OLD BUSINESS**

None.

#### **NEW BUSINESS**

None.

#### **ADJOURNMENT**

**Motion:** James Maloney, seconded by Joshua Ratner, moved to adjourn the meeting.

**Vote:** The motion was adopted.

The meeting was adjourned at 5:15 p.m.

The next meeting of the Board of Directors of Ulster County Development Corporation is scheduled for Thursday June 21, 2012 at 4:00 p.m., Conference Room 108, Business Resource Center, Development Court, Kingston, NY.

Respectfully submitted,  
Ronald Marquette, Chair, Board of Directors